

Message Text

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PAGE 01 STATE 019818
ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-08 COME-00 AID-05 CIAE-00
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02
CIEP-01 LAB-04 SIL-01 OMB-01 L-03 /061 R

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EUR/EE:GBOUTIN
-----290123Z 093035 /62
R 281819Z JAN 77
FM SECSTATE WASHDC
TO AMEMBASSY WARSAW

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EO 11652: N/A

TAGS: EGEN

SUBJECT: US GROUP (TURNER CONSTRUCTION) LOSES CONSTRUCTION
CONTRACT

REF: WARSAW 0289

1. EXIMBANK BELIEVES THAT EMBASSY'S PERSPECTIVE ON THIS MATTER
MAY BE HELPED BY THE BANK'S REPORT ON THE HISTORY OF THE CASE.
2. THE PROJECT WAS FIRST DISCUSSED WITH THE BANK IN FEBRUARY,
1976, IN THE COURSE OF A VISIT BY REPRESENTATIVES OF THE U.S.
CONSORTIUM, NONE OF WHOM HAD EVER DEALT WITH EXIMBANK IN THE PAST.
THE GENERAL LEGISLATIVE AND POLICY FRAMEWORK OF THE BANK AND ITS PRO-
GRAMS WERE REVIEWED. OF PARTICULAR INTEREST WAS THE BANK'S PROCEDURAL
AGREEMENT WITH THE POLISH GOVERNMENT CALLING FOR ALL EXIM CREDITS
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TO BE EXTENDED TO BANK HANDLOWY. THE CONSORTIUM HAD PLANNED
ON LOANS DIRECTLY TO LOT, WITH SECURITY DERIVING FROM LOT'S
ACTUAL AND POTENTIAL HARD CURRENCY INCOME. THE AVAILABILITY
OF A GOVERNMENT GUARANTEE OF REPAYMENT WAS UNCERTAIN. THIS,
BECAUSE OF THE AFOREMENTIONED
AGREEMENT, WOULD BE IMPOSSIBLE FOR EXIMBANK TO CONSIDER.
ALSO, EXIM BELIEVED IT WAS DESIRABLE, IN THE SUPPLIERS'

INTEREST AS WELL AS EXIM'S, TO INVOLVE BANK HANDLOWY AT AN EARLY DATE IN ORDER TO HELP SORT OUT POLISH GOVERNMENT PRIORITIES FOR THE FOREIGN EXCHANGE EXPENDITURE FOR THIS PROJECT. NONETHELESS THE BANK OFFERED TO BE OF ASSISTANCE IF POSSIBLE WITHIN THE FRAMEWORK OF THE AGREEMENT.

3. THE CONSORTIUM RETURNED TO EXIMBANK IN SEPTEMBER 1976. AGAIN, THE GENERAL PROGRAMS WERE REVIEWED. THE DIRECT LOAN PROGRAM, IN WHICH EXIMBANK SUPPLEMENTS PRIVATE LENDERS, WAS REVIEWED IN DETAIL--IN FACT, A SAMPLE OF EXIMBANK'S NORMAL LOAN AGREEMENT WAS FURNISHED. ADDITIONALLY AS AN ILLUSTRATION OF THE RANGE OF COMMERCIAL LENDERS WHO MIGHT CONSIDER PARTICIPATING WITH EXIM, THE CONSORTIUM WAS PROVIDED A LIST OF LENDERS WHO HAVE PARTICIPATED IN PRIOR EXIMBANK CREDITS IN POLAND. ADDITIONAL PRINTED MATERIAL ABOUT EXIM AND ITS PROGRAMS WAS ALSO FURNISHED. FINALLY, THE BANK OFFERED IN WRITING TO PROVIDE ADDITIONAL INFORMATION AND ASSISTANCE AT THE REQUEST OF THE CONSORTIUM, NO FURTHER CONTACT HAS BEEN MADE WITH THE BANK SINCE THE SEPTEMBER MEETING AND OFFER, AND NO REQUEST FOR ANY EXIMBANK FINANCING COMMITMENT HAS BEEN RECEIVED.

4. EXIM NOTES THE EMBASSY'S SUGGESTION THAT IT FIND SOME WAY OF HELPING THE CONSORTIUM IN THE FUTURE, AND WOULD LIKE TO ASSURE THE EMBASSY THAT IT REMAINS READY TO REVIEW ANY REQUEST FOR FINANCING WHICH MAY BE PRESENTED. DECISIONS ON THE EXTENT OF THE ASSISTANCE WHICH THE BANK WILL OFFER WILL CONTINUE TO BE GOVERNED BY THE LEGISLATION AND OVERALL POLICIES UNDER WHICH THE BANK OPERATES, AS WELL AS THE SPECIFIC OPERATING PROCEDURES IN FORCE WITH POLAND. LIMITED OFFICIAL USE

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VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, PROPOSALS (BID), CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: JCFLEIG
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770032-0120
Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t1977017/aaaaafxk.tel
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Message ID: d87f30dc-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 77 WARSAW 289
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Review Content Flags:
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Review Exemptions: n/a
Review Media Identifier:
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Review Release Event: n/a
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SAS ID: 3639929
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Status: NATIVE
Subject: US GROUP (TURNER CONSTRUCTION) LOSES CONSTRUCTION CONTRACT
TAGS: EGEN, US, PL
To: WARSAW
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